Remarks

Claims 1-20 are pending. Claims 1-20 are rejected under 35 USC § 102(e) as being anticipated by Shaffer et al. (US Patent No. 6,324,409).

Shaffer is directed to improving voice quality in a voice over IP network by selection of voice compression and coding techniques. The method disclosed therein tries to limit the number of transcodings that take place in the network, by having one entity or the other gather information as to the capability of any devices in the network to ensure that they all use the same encoding, thereby eliminating any transcodings that would otherwise take place. In Shaffer, col. 6, line 53, through col. 8, lines 55, the capabilities of the devices in the network are gathered and used to determine the end-to-end coding scheme used.

Specifically, the sender sends a signaling message to collect compression capability of at least one intermediary station (col. 6, line 53 through col. 7, line 5), and the receiver (col. 7, line 15-20). The signaling message is then returned to the sender and an end-to-end coding scheme is then determined (col. 7, lines 21-25). In one alternative, the receiver or in intermediary device may determine the end-to-end coding scheme and transmit it back to the sending end (col. 7, lines 30-35). Once the end entity has determined the compression, a message is sent out *instructing* the other entities to use this compression scheme. There is no negotiation, per se, between the gateways, that does not involve the sending and receiving devices. Alternative embodiments in Shaffer describe alternative ways of determining the capabilities of the various devices and determining the coding schemes.

In contrast, the invention as claimed in this application is directed to a network in which the gateways negotiate with their respective endpoints independent of the other endpoint-gateway negotiation. The two gateways then determine the *maximal* data compression that the two devices can handle. Once this is determined, either gateway may need to renegotiate the compression on its end. The communications are negotiations, not

instructions. The two devices assume postures of a particular compression rate and determine which posture will succeed.

Further, the invention as claimed is directed to achieving *maximal* data compression, not to eliminating transcoding processes in the data path. As the Examiner noted in the Response to Arguments, Shaffer eliminates voice compression if it impacts the quality of service. Therefore, Shaffer is not directed to attaining maximal possible compression.

In addition, while Shaffer mentions that the system disclosed can use other type of signals other than voice signals, nowhere in the disclosure is there mention of detecting that the one or both endpoints are high-speed modems.

Claims 1 and 14 as amended, require that the first negotiations at either endpoint occur independently of each other and that high-speed modems are detected. Shaffer does not disclose negotiation at the endpoints, much less that the negotiation at each end point is independent from the negotiation at the other endpoint. Shaffer also does not address detection of high-speed modems. It is therefore submitted that claims 1 and 14 are patentably distinguishable over the prior art and allowance of these claims is requested.

Claims 2-6 depend from claim 1 and claims 15-17 depend from claim 14. The dependent claims inherently contain all the limitations of the base claim, which are not shown by the prior art. With regard to claims 6 and 17, the storing of the session parameters is such that no renegotiation can occur for any of the devices. Shaffer does not address this issue. The prior art also does not teach the further limitations of the dependent claims. It is therefore submitted that claims 2-6 and 15-17 are patentably distinguishable over the prior art and allowance of these claims is requested.

Claim 7, as amended, requires detection of high-speed modems and that the endpoint negotiations are independent from each other, as discussed in detail above. It is therefore

submitted that claim 7 is patentably distinguishable over the prior art and allowance of this claim is requested.

Claims 8 and 9 depend from claim 7 and inherently contain all of the limitations of the base claim, which is not shown by the prior art. The prior art cannot then teach the further limitations of the dependent claims. It is therefore submitted that claims 8 and 9 are patentably distinguishable over the prior art and allowance of these claims is requested.

Claims 10 and 18, as amended, also require that the presence of a high-speed modem is detected and that the negotiation at one endpoint be independent of the negotiation at the other, as discussed in detail above. It is therefore submitted that claims 10 and 18 are patentably distinguishable over the prior art and allowance of these claims is requested.

Claims 11-13 depend from claim 10 and claims 19-20 depend from claim 18. These claims inherently contain all of the limitations of the base claim, which is not shown, taught nor suggested by the prior art. The prior art cannot then teach the further limitations of the dependent claims. It is therefore submitted that claims 11-13 and 19-20 are patentably distinguishable over the prior art and allowance of these claims is requested.

No new matter has been added by this amendment. Allowance of all claims is requested. The Examiner is encouraged to telephone the undersigned at (503) 222-3613 if it appears that an interview would be helpful in advancing the case.

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Respectfully submitted,
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